H1 2019 RESULTS
AND STRATEGIC UPDATE

INVESTOR CALL TRANSCRIPT

Investor Call held in Milan, 2 October 2019, h8:00am CET

Carlalberto Guglielminotti: Good morning ladies and gentlemen and thank you for being with us today, I am very pleased to welcome you alongside with Stefano Terranova, our General Manager, and Andrea Rossi, our CFO, to present our results for this First Half 2019.

I will start with a quick overview of numbers, then a strategic outlook, very short but very important because it is driving the pace of our strategy and even more importantly of our growth.

I suggest to take the presentation, you can download from our website, and I will briefly go through it. Stefano, Andrea and I will be very happy to take your questions, and then we can move on the presentation.

As you see our First Half results, that you saw yesterday morning, are aligned with our 2019 transition expectations.

Summarizing the key points, I am on page 4, essentially, we have a continuous growth pattern in all majors KPIs, so +80%, 81% in revenues, increase in growth margin despite the growth in the size of our projects and looking forward.

EBITDA is still negative, but - we will see in a while in the waterfall - there is a clear explanation for that.

The most - I think - important KPI, from a strategy perspective, is the pipeline, because even if perception of our investors and analysts was that, as a result of the strategic re-focus that we announced in June, our pipeline and our backlog at that time would have been reduced, in reality this didn't happen, but even more importantly pipeline significantly and materially increased compared to last year by 43%, meaning an increase also compared to last quarter, increased to the one we had at the beginning of the year.

So, in respect of the parameters you are taking into your account, our pipeline grew significantly and this is because of the strategic refocus that we carried out in June this year.

Obviously, this is the first financial indicator that shows the implementation of our pipeline, the next one would be backlog, and revenues will follow up, so by definition we cannot have a translation into revenues of a strategy in a quarter or a couple of quarters.

But this is the first most important signal in terms of effectiveness of the new strategy.

Backlog view by, compared to H12018, in line, let me say, with the revised backlog that we announced in June 2019.

I am on page 5, you will see, let me say, the other second indicator that is representing the effectiveness of our new strategy.

On page 5, if you go to the fourth column which is "Other Cost for R&D and Industrial Operations" that we call simply "EPC effect", this reduces dramatically [to €0.3m].

Essentially if you remember in the last three financial statements we had an impact [of EPC effect] that was in the order of magnitude of 1.5 – 1.7 million, then 3.3 million in FY2018, last year in H1 was 1.7.

So, reduced by more than 80% – if we compare H1/H1 – and we see a clear pattern that essentially sets the equivalence between the Gross Margin and the Industrial Margin.

Why that is important? Because having decided now to be out of EPC activities for large-scale projects, yes we have an impact [negative] in terms of volumes, but the reduced risk that we outline when describing in our investor calls the strategy, is exactly represented by the significant reduction of that parameter.

Therefore, is not a coincidence that we set up a strategy announced in June, let me say, being at the same time devoted to make our growth more sustainable, a growth that is confirmed, all our financial indicators in terms of growth are positive, a slower growth during this transition phase, but a sustainable pattern that is represented by that indicator.

On page 6, you see the mix of our revenues, by definition the growth pattern is in relative terms important, but this is almost negligible, as you would imagine, in absolute terms, therefore the breakdown of that very limited in absolute terms amount of revenues is not really telling of a strategy execution, as you can imagine. However, 57% is essentially represented by revenues generation in Africa, which is the project in the Comoro Islands, and exposed as a consequence to 68% to microgrids.

In line with our expectations and with our preceding results, I am on page 7, the personnel costs, the capitalization, which still is in line with the number of PhD and MBA that we have, so essentially people devoted almost entirely to do R&D.

On page 8 you will find a very detailed breakdown of our operating expenses, as you would see our offices in Paris, Valle D'Aosta and Milan are just, let me say, generating their super limited costs related to the cue of the contracts that we terminated. Quite balanced breakdown in terms of advisors and quite balanced corporate Opex, between audit expenses, Board compensation, IT, Staff and HR.

Moving to page 9, you see some non-recurring expenses, those, in this case, are really collateral cues of preceding situations, so special deals essentially means an acquisition planned, that we have set since the end of last year. Legal accounting and certification almost related to the not yet fully completed integration within the ENGIE Group, from the regulatory perspective, as you can imagine. But our intention is to optimize and to take benefit in terms of synergies, as much as we can, also the expertise of ENGIE from that perspective, which is obviously super solid, from the regulatory stand-point. And then distribution and business development, those are non-recurring expenses related to business development, a business development that, within the context of union strategy, we do not expect to have any more non-recurring expenses or origination of development costs, simply because we do not develop any more projects as project developers.

Then, from the Capex perspective, I am on page 10, you see our traditional clusters in terms of R&D, all of them in line with technology roadmap 2020, that we set in 2017. Quite balanced, let me say that the 2020 tech roadmap development is a major one, 34%, and then all the other substantially balanced between themselves. You see in terms of other Capex, the remodeling cost of our offices, that are today even more ready, preparing for the future growth.

On page 11 you will see the Net Financial Position. This slide is important while from the business perspective growth that we expect to happen at least in a very significant way, from the financial perspective, the support of ENGIE already materialized. We already announced in June the support given by ENGIE but from that slide you understand the difficulties that we had in our history in terms of cash management, capital increase, liquidity events, potentially dilutive for minority investors and then now no need, not anymore, because thanks to the financial support given by ENGIE, obviously limited in size and timing but a support that, compared to the support we had before the ENGIE acquisition, I mean from banks and investors, essentially give us time to address our growth needs and address our industrial play within the context of the new strategy.

Therefore, that’s important because this slide represents the importance of that support and how much we can focus now on industrial aspects, and not on extraordinary ones, which is a very important message particularly for our teams.

Moving to page 11, Project Backlog, here we see that breakdown by Region, therefore the Mexico project is composed in 45% of pipeline in Latin America, it is considered a microgrid, simply because we consider solar plus storage as a natural evolution of microgrids. Exactly like this small scale distributed solar evolved into utility scale installations. Therefore, we will continue to classify, let me say, in the traditional way our solar plus storage, our new solar plus storage projects, in backlog, but even more importantly in the pipeline. 34% Africa, which is represented by the Comoro project and this is not a real news.

Moving very quickly to the strategic update, we decided to give you, on page 14, essentially a one-slide summary in terms of strategic update, simply because everything is for real in this slide, there is no reason to go through long and emotional presentations, while we can find the way to summarize what we are doing from the organizational perspective, from the business model perspective, from the organizational design perspective, in one slide. Essentially in order to transform the strategic focus that we announced in June 2021 in the business model, would you find to make a sort of revolution. If you remember, historically, the business model and the business strategy of this company has been run starting from technology. It has been run, let me say, in a technology oriented mood. Therefore, our strategy would even describe, by describing the technology, like a technological applications. You would remember microgrid power quality, thermal power plants retrofitting. Then solar plus storage, utility scale storage, behind the meter, distributed storage. And this comes from our heritage of being a technology player. This is natural, this is healthy and this is what I think a company of a limited size, particularly independent, not belonging to any large group, has to do, in order to focus on the most important aspects of their assets, their goodwill, which is technology. Why? We decided in June to make a re-evolution. And that revolution shall start from the most important thing we have, which are our customers. ENGIE or not, because another big thing is that ENGIE shall be or shall not be our customer. Therefore, instead of describing in terms of technology applications, technological applications, our strategy and our business model. The revolution will pass through a clear segmentation of our business strategy into three business segments. We shall be led by three business managers and they have clear customers, industrial play, value proposition, business model and business sourcing methodology. That's the reason why also today we are ready to take any question you may have, you have today connected to this call, also together with Giuseppe Artizzu, connected from Nairobi, on top of his role as Strategy Director, will also lead the customer solution segment, along with our General Manager Stefano Terranova, that will lead the global renewable segment, both of them obviously ad interim, while we select the new top managers that will lead those segments. Along with the green mobility segment, that will be led by Giovanni Ravina, also today with us, in order to take any question you may have. That's the reason why we briefly describe those segments and my team and I are ready to take any question you may have in terms of strategy or expectations, but all those three segments are well harmonized in balance, in the context of our 2020, and even more importantly, 2022 guidance. Then the main customer of the global renewables enabled by storage, by definition, segment is ENGIE, that's natural because we cannot imagine to address projects of 20, 50, 100 millions without the full support of our industrial partner, and the majority of those projects – if not almost the entirety – are tariff based, are projects that have to be addressed by IPPs or financial players, it is not a play for technology companies, but a play for even EPC companies. Then customer solutions, as the name suggests, customers are industrial and commercial customers, while green mobility is a segment addressed to EV manufacturers and fleets. In terms of industrial play, you would find what we used to describe our strategy in June, so you will find solar plus storage, utility scale storage, microgrids, power quality. We have a clear value proposition, so to be a world class storage engineering system integrator solution for global renewables, to make tailor-made microgrids and other storage solutions to help our customers' needs in the customers' solutions, this is the most industrial, let me say, oriented segment, in which we have a closer relationship with the customer, for sure a higher value added, in terms of technology deployed and higher marginality for obvious reasons. This is our core historical love and tradition of a technology-oriented company, that want to grow as an industrial player. By definition the size of those solutions is little compared to the global renewables enabled by storage. We are not talking about large jumbos tender for that reason, right? But it is less, let me say, polar, it is less volatile, because in global renewables segment, it is great when you get a large tender, but unfortunately if, for any reason, the tender is delayed, the outcome are delayed, or something like that, I mean, those kind of things may happen and therefore having a solid customer solutions segment, continuing on a rolling basis delivering results and, even more importantly, feeding our engineering system with new challenges, with new solutions that on that term will feed the technological excellence needed to win a large tender, I mean, it is not only a compromise, but a value creation from my perspective.

Last words on green mobility, where our value proposition would be to be a storage and vehicle to the grid, to use and to leverage on our storage and vehicle to the grid expertise and technology to develop innovative solutions for EV manufacturers and fleets. So essentially, we'll leverage what we have done with FCA, very well-known, if to use our storage and vehicle to the grid expertise to get a larger bill and on a daily basis being close to our customer delivering value for him.

In terms of business model, really last words, you will see in green the business model that we picked, and in grey where that business model is not implemented for that business segment. You see an area nuancée which is technology provider for global renewable because in that specific case is really complex the situation.

For sure we would try to use our power electronics but not necessarily, first of all because we don't have the arrogance of thinking that out of 3 billion standards all over in the world in five continents our technology should double for all of them in any circumstance and in any geography, which is a play that within the ENGIE Group is really possible today, therefore we have to accept, with a serious approach, the fact that, you know, the arrogant and therefore not potentially tempting to sell our technology everywhere, because we have the opportunity to, we have the opportunity to in any event provide our technological expertise, our system engineering expertise and, in the majority of the cases, to act as a technology player with the assembly of the solution that we use.

System integrator: we are essentially over system integrators.

For customer solutions we are even more, because we are for sure a technological provider, because you cannot provide essentially customized solutions or high value added solutions without providing also the technology and therefore vertically, having the technology fully vertically integrated. And on green mobility we act on the full value chain, because we are at the same time, depending on the system that we sell or we integrate, we can be a technology provider, we can be a system integrator or even take care of installation which is the EPC equivalent of the other segments. Obviously for larger applications and V2G installation for sure we will not be installation expert, to install wall boxes or traditional EVSE commodities, we have specialized companies and also our group companies very well specialized in those kind of activities.

From the business sourcing perspective, global renewables essentially you see that we do - again in green what we do and in grey what we do not do –; it is not credible to address large tenders that will be, let me say, managed in terms of bidding strategy and financial strategy, by ENGIE. So, what we can do in that segment is origination support and proposal engineering, that from my perspective is the most value added part within any offer, or behind any offer. We don't develop business, so we don't do business development on global renewables, but we do proposal engineering for sure.

Customer solution: we do business development, so this still remains the area in which the business is really developed with real guys on the ground, defining a strategy and then implementing it in terms of sales.

For green mobility, again, we don't do business development, simply because if at the group level we have relationships with all the major car makers, this does not make any sense that we try to knock the door of car maker number 26 in, I don't know, Korea or China alone, trying to do business together.

I mean, we have serious of very large and serious and solid relationship at the group level, like we have with FCA, at the very beginning or at the other major car makers, therefore it doesn't make any sense to do business development. We support the origination, obviously, and we do proposal engineering.

I am on Page 15 now, a very quick outlook and breakdown of our pipeline. As you would imagine, within the new categorization, by business segment, you see immediately the results, naturally, and we hope that this would be a clear reporting for investors and stakeholders generally. Obviously you see 50% of our pipeline exposed to large tenders, obviously that clarification before any un-obvious question, our pipeline reproduces just our portion, therefore in large tenders we do not include any more the solar portion in case of solar-plus-storage projects, therefore it is a gross to net approach, let me say, compared to the traditionally EPC that we historically had in our books. Global renewables, even if net of that effect, still represents 50% growth of pipeline. Green mobility and client solutions, quite surprisingly are in line. Since the beginning. This is mainly due to the FCA deal, as you would imagine. This is a pipeline, for the simple reason that as you know we have not yet defined at the ENGIE Group level the respective roles and responsibilities under this deal and therefore, from an accounting perspective, not backlog, but pipeline, that we all know that this deal has already been announced also by FCA. In terms of geographical breakdown, very well diversified and balanced, with the exception of Africa, that's the effect in relative terms of the large tenders, for global revenues. I would not, let me say, further come on that because being our pipeline larger than ever, because we never had that, 350 million pipeline of projects, by definition being the projects in Africa slightly smaller, the effect in relative terms is more little. And then eventually you see in the center bottom pie, the breakdown by ENGIE Group role, which is another traditional expression we have from the market. So, where ENGIE is a customer, where ENGIE supports, where ENGIE is a customer for a client solution or where ENGIE is a customer for large tenders that they bid. And then customers that we have outside the ENGIE Group. You would see that, essentially half, because again 50% of our pipeline is represented by global renewables and in global renewables ENGIE is our customer, for obvious reasons that I already described. In green mobility ENGIE is a support, it is not a customer. For client solutions ENGIE is a customer, simply because they have – on their turn – customers, so it is more complex the sales methodology, because we have to communicate first, but let me say from the value chain perspective it is not different, because also when ENGIE is a customer in a tender, by definition they have to win the tender first. So, they have to look on their own for the customer and then we they have their customer, let me say, they will have the partner. You will see, just in the last slide, for green mobility a very limited impact on H2 refueling stations, this is the last cue of our at least hydrogen business development backlog.

Last slide, I am on the following slide, that should be slide 16. In that slide you just see the geographical footprint that you could see from the pipeline, but more clearly in this slide, even more importantly we have given a bit of color, particularly for the mega-tenders, that we are addressing with ENGIE, and not that all of them are pipeline, that's the reason for which there is no title here, because, as you would remember, we have a pipeline recognition methodology, therefore not necessarily all them are pipeline or to be seen in the same way. But, in nominal terms this gives you the perception of where opportunities are, what the opportunities we are addressing are and, even more importantly, the technology, the business model from the technological perspective, so what we sell to our customers and the size. I think this fairly represents what we are doing. You can put the conversion rate that you prefer in your model of expectation on this company, but that's the reason why we are confident that this strategy will deploy its results very very soon.

Having said that, this was to briefly summarize the key points behind our new strategic focus and our results.

Thank you very much for your time, we are now ready to take your questions, along with Stefano Terranova, General Manager, Giovanni Ravina, Chief Innovation Officer, and Giuseppe Artizzu, connected from Nairobi, I'm not sure if he can talk, but for sure we can address any questions you may have. Many thanks for that. Then we see our Andrea Rossi, our CFO, connected from Paris, for any question you may have on figures, obviously. Many thanks.

Q&A

Operator: We will now begin the Q&A session. Again, if you have a question, please press * then 1. The first question comes from Jean-Michel Bélanger of Société Générale. Please go ahead.

Jean-Michel Bélanger, Société Générale: Yeah, hi, good morning, this is Jean-Michel Bélanger from Société Générale, I had a few questions for you. The first one, could you come back on the increase in the gross margin, during H1, from 26 to 41%. Second one would be: do you think you have got some visibility on the 2022 target in terms of revenues, which is of about 100 million Euros, well, I mean, are you confident enough, at this stage, to stick to this guidance? And the last one from my side would be same thing, would you feel also confident about EBITDA breakeven in 2021? Thank you.

Carlalberto Guglielminotti: Thank you for the questions, Jean-Michel, I'll try to briefly address all of them. Then, on the increase in the gross margin, I mentioned that, I mean, in absolute terms, we historically had, like Christmas-driven companies, an explosion of our revenues into H2, ok? Our H1 revenues, because of tenders, because of seasonality of tenders, let me say, of governmental decisions, or simply because all the decision making at that time of Enel, Toshiba, Terna, and then today the large tenders all over the world, we always and historically had a super limited demand for revenues in H1 and a multiple of that number in H2. So, if you look in absolute terms to our revenues this year, this is the matter. Out of 2.7 million yes, our gross margin increased, but I would not take it as a reference going forward. Simply because in those revenues we do not have any more, we do not have yet, sorry, any revenue coming from large scale projects, in which marginality cannot be the same. Therefore, again, my suggestion, even if we are proud of those results, even if we are particularly proud of what I described in the waterfall on page 5, so having reduced dramatically, because is just 300k compared to 1.7 million last year in H1, – the EPC cost, that was decreasing and dropping our industrial margin… Yes, we are happy. I would not suggest to take gross margin as a reference, but simply as a parameter in line with our original and historical results, but not representative of the trend going forward, simply because of the limited size in absolute terms of our revenues in H1 this year.

On the 2022 target 100 million and, let me say, let me answer at the same time to the EBITDA question. I mean, you look at our pipeline now. If you look at page 16, now we have essentially three large tenders. So, if you take, I mean, the 1.5 GWh in the United States, you can easily imagine in the islands, or the 300 MWh in other islands as you can see in the Pacific. I mean, if you multiply 300 MW by, I do not know, 200-

300 hundred “k” [thousands] per MWh, I mean, you immediately understand, just gaining one or two of those tenders, the guidance of 100 MW is, sorry, of 100 million, it is not achievable, it is an obvious bridge that we have to walk, naturally. Because, as far as we have the technology to do microgrids, solar-plus-storage is an evolution, we would have never been able to address those tenders without a large industrial partner behind us, that acts as an IPP, as a financial investor, as an industrial player, launching bids, tariff and IPP based, or PPA based. And if you look at the conversion rate of any company of that size, it is a double digit conversion rate, historically. In their old historical business, which might be conventional generation, for sure, but there are thousands of people that are dedicated to business development in that sector, while the conversion rate is historically, it is double digit. Therefore, if for any reason you believe that we have the technology, we have the technological expertise and the know-how to support properly our partner and therefore the size of the project that we address, because what is happening in the market, we discussed already last quarter, it is an explosion of those opportunities all around the world. I mean, people are starting to realize that solar-plus-storage, coupled together, even providing full power at night, therefore shifting in full electricity from the day to the night, something that was unbelievable if you would remember, Jean-Michel, in 2016, with batteries, it is going to be cheaper than conventional generation for real. There are tenders that have been delayed, there are awarded because of political, let me say, discussion around that aspect, which is surreal, right? But that’s the point. Therefore yes, I am confident on the 2022 100 million target. Frankly speaking, ok, we were confident also on 100 million target in 2020, right, so that's, I answer to the question before any questions is raised, because it is a serious one. Yes, but first of all are slightly, move of the market coupled with a strategy more oriented to the sustainable growth and less oriented to the short term return result, generating what happened. But, the target was absolutely credible and feasible, absolutely. Because of the size of project that we have today, that's the reason why I have no doubt on the fact that this target is feasible and we have to put 200% commitment in achieving it, because that's the bridge we have to walk. And there is no, let me say, midway. On the EBITDA is a natural consequence of volumes. We have always been in this, that's the reason why we continue to give also the full break down of our costs, simply to put our stakeholders and also, in particular, analysts and investors in the condition to analyze our cost base and the evolution of our cost base, to understand that our cost base is not linked for real to the volumes that we have. Therefore, if you take this scope, let me say, inflated, and you just put a number on the gross margin, you immediately understand when we will breakeven.

For sure breakeven is expected when we will achieve the 100 million revenue size, assuming a 10% (not audible) calculation in gross margin. Ok? Planted 1. 10-15%. That respect the number that you put that's the order of magnitude, ok? Of our breakeven. But you correctly mentioned that our gross margin increased to 40%. Is it a 40% driver of 15%? I do not know. But what I can tell you is that one the rationales behind different business models, different business segments, that we now have is because this gives us the perfect balance also between large scale tenders, at a lower marginalities, obvious, customer solutions with more value added and therefore higher marginality, and mobility application which is the natural evolution of our value added, into the mobility sector, with a more value added and therefore even more automatic (not audible). That's the rationale behind the transition, Jean-Michel. The rationale behind a natural evolution, that will bring us to the guidance, that we have given to the market and in EBITDA terms, bringing the company to breakeven in the next two years.

Jean-Michel Bélanger, Société Générale: Ok, thanks a lot Carlalberto, it was very clear.

Operator: Again, if you have a question please press star then one. There are no questions at the moment. Again, Jean-Michel Bélanger, of Société Générale. Please go ahead.

Jean-Michel Bélanger, Société Générale: Ok, I come back with another question. Well, on the last AGM at the end of June, I understand that you mentioned that you were working together with ENGIE to put in place some kind of governance or some kind of governance committee, notably to split for this large solar plus storage projects, to split the responsibilities, revenues, profitability, etc. between your company and ENGIE Solar. Have you made some progress on this point?

Carlarlberto Guglielminotti: Absolutely yes, Jean-Michel, many thanks for your question, because it is very important to clarify the clarity that we are trying to implement on that specific aspect. Essentially the question is twofold, so on one hand I was referring to the independent committee, composed by independent members of the Board of Directors, devoted to review contracts we signed even before we signed those contracts, in order to understand, let me say, the fair revenues and margins and roles, split in major contracts, ok? And this has been approved at the Board level, in line with expectations, and will be implemented in the coming weeks, so you will see on our website the new committee that we will have, composed primarily by independent members of the Board of Directors. On the second aspect, which is the business model, on the business model there is nothing new compared to what we announced when publishing our strategic focus, I mean, in large scale solar plus storage tenders, we will not act as an EPC. Ok? For the obvious reasons that the size of that projects would imply a management of financial skills that are absolutely standard in the market, for any EPC, for which we do not have the financial shoulders and guarantees and credit lines to address. Even if we have the ambition to become an EPC for a project of a size of 100 million, reality is that we are not backed today, we have been never backed by credit lines of that size and we will never be backed by credit lines of that size. Therefore, in that EPC world of super large scale and even jumbo tenders, the role of EPC will be devoted to players that have the financial capability to do this. Ok? In our configuration, this player is ENGIE Solar. For large scale tenders, they will act as an EPC, according to our strategies' focus, they have the financial capability to do it. And therefore, in respect to all the outsourcing that they may, because obviously they are not themselves doing the construction with their hands, like any other EPC, they outsource construction, they outsource a lot of things, but they manage all of them, and even more importantly they issue performance bonds, letters of credit and a figures of immense financial requirements that they have and that we do not. That's the reality. However, as we announced we would be the storage player, the system integrator and the technology provider. Therefore, let me say, we will continue in that specific business segment into our original core business, more technology oriented, where you can keep by the way also in principle higher marginalities and with a more focused approach that we are ready today to address, even for large tenders, because industrially wise, we are ready to do it, and take into the revenue portion of the storage player. Notwithstanding the fact that from a system integrator perspective we will design the system, we will connect the system, we will guarantee a proforma for the system. So essentially, we will act as a real technological player and full system integrator of any system we build, but not an EPC player. That's the most important message, because it would be unrealistic to play in that way, in a world that is requiring a financial strength that we do not have. And that we have never had, by the way, in the past. That's the picture.

Jean-Michel Bélanger, Société Générale: Ok, thanks a lot Carlalberto.

Carlalberto Guglielminotti: You're welcome.

Operator: Again, if you have a question please press star then one. There are no questions.

Carlalberto Guglielminotti: Well, thank you very much for attending this call, along with our teams...

Operator: Sorry, sorry, again, Jean-Michel Bélanger, Société Générale.

Jean-Michel Bélanger, Société Générale: Yeah, just the very last one on my side, looking back at your slide 15, the pipeline breakdown, you put some 26% in green mobility projects, so that's about 19 million Euros, could you be possibly a bit more specific about that?

Carlalberto Guglielminotti: Absolutely Jean-Michel, many thanks for the question. I briefly mentioned, but you correctly outlined that you all deserve more clarity on that. On green mobility, as I was saying, we have essentially two clusters into that number, which is approximate 19 million. First of all, a portion of that number is represented by revenues that might be generated in the event in which we implement with a scheme with ENGIE, in order to manage the FCA deal, ok? So, as I was saying there is not yet a clear definition of that contractual and responsibility scheme, we are working on that, and, according to the information we have, what we expect a portion of that 19 million is represented by the value that we think is at least feasible and credible within this picture. Obviously, there is no certitude, like any other contracts, like with any other customers, but exactly in line with our pipeline recognition methodology. The other portion of that number is represented by the future revenues that will come from future states contracts awards, with or without ENGIE, in the E-mobility sector. And the E-mobility sector is obviously also represented by, again, by FCA, because it is one of our customer, but also other OEMs. In terms of technological play, I might hand over to Giovanni Ravina for few words on the technological layers and applications that we are selling, let me use this word, because it is consistent with our new strategy to our customers that are car manufacturers and B2B.

Giovanni Ravina, Chief Innovation Officer: Hello everyone, good morning, just a few words on the current and upcoming offering around electric mobility. As already announced, we are developing on projects, so the microgrids we have installed, we are working on with the Politecnico of Milano, particularly on two work packages, so, technical developments. The first one is allowing and facilitating sub-charging, through the installation of storage, so just to clarify, both streams are strictly related to the existing capabilities of EPS, so the first one I was mentioning is using storage as a buffer to facilitate the integration of fast charging, then most of the time, it is lacking power from the existing grids and the location where fast charging wanted to be installed. And the second one is using the vehicles, in particular the batteries within the vehicles, at the source of ancillary services, the so-called vehicles to grid. These are basically the two main technology developments we are working on and are going to be part of the offering. This is mainly from a technological perspective. Of course, as mentioned by Carlalberto, we are working and that's an historical relation with FCA, but potentially to be expanded either to other car makers, either to directly fleets, so B2B customers.

Jean-Michel Bélanger, Société Générale: Ok, thanks a lot.

Carlalberto Guglielminotti: On top of, let me say, all the other technological development we have, because obviously having an intense technology relation with car makers, we are constantly involved by them in new developments, so new developments also of potentially wallbox of smaller or larger size, with special features, that are not typically addressed by wallbox manufacturers, but might be perceived by our customers as a need and therefore we help them in defining technical specifications, engineering, product features and analyzing the customer needs, then eventually designing the system or even the wallbox and potentially also manufacturing them, so that's a large and intense business segment that we are addressing for the first time, by the way, with a clear let me say business segment and a clear focus, with a clear P&L to be delivered.

Jean-Michel Bélanger, Société Générale: Ok, thanks a lot Carlalberto.

Caralberto Guglielminotti: Thank you Jean-Michel.

Operator: There are no questions.

Carlalberto Guglielminotti: Ok, well, thanks again very much for attending and I look forward to announce our Full Year results and potentially some other more strategic business oriented investor call before Christmas, hopefully. Thank you very much.